

50 KENNEDY PLAZA
SUITE 1500
PROVIDENCE, RI 02903
TEL (401) 274-2000
FAX (401) 277-9600

HinckleyAllenSnyder^{LLP}

ATTORNEYS AT LAW

MEMORANDUM

TO: Charles Sarkis
FROM: Matthew T. Marcello, III
RE: Papas and Going Forward – "Fork in the Road"
DATE: January 8, 2011

Charles:

We are now at a "fork in the road" which necessitates the making of immediate and hard decisions. Jolene and Charlie are under increased financial pressure – Jolene has recently found out that approximately \$10,000,000 of Wonderland debt that she thought was non-recourse is, in fact, full recourse to Charlie. Tavistock is making management personnel decisions and is requiring an immediate clarification as to their responsibilities in the management of the Papa Razzi restaurants that they are not taking. Now that the Tavistock Agreement has been signed, Bertucci's is pushing us to move forward with them.

The following issues must be settled by not later than 5:00 PM on Monday, January 10, 2011.

1. Purchase of the Papas. Charlie cannot afford to lose Bertucci as a buyer unless he can be convinced, to a very high degree of certainty, that you are willing and able to put this purchase together. Charlie has decided that the best price he can offer you is \$15,000,000 (i.e. the \$16,000,000 price with a \$1,000,000 discount) payable, in part, with a \$1,000,000 Promissory Note as provided in the Term Sheet I sent you on December 22, 2010. The other terms of purchase would be essentially as provided in such Term Sheet. If you are willing to purchase at this price and on these terms, please call me this Monday morning to let me know you desire to proceed and to discuss your financing and equity investor(s). We cannot go forward with you unless I can tell Charlie that I believe the financing is realistic and very close to being finalized. This will include your identifying to me the sources of your financing and equity and me having a discussion with each of these sources. While Charlie and Jolene were hopeful (as was I) that you would be able to put this purchase together, it appears that the economic

realities make this unlikely. If I have not heard from you by 12:00 noon on Monday, I will assume that you are not going forward with this purchase.

2. **Restrictive Covenant Agreement.** The Restrictive Covenant Agreements were supposed to have been signed by now. Since you know this is causing an issue with Tavistock, which could adversely affect your father's deal (and his financial well being), I do not understand why it has not been signed. In any event, your Restrictive Covenant Agreement must be finalized and signed by you by not later than 5:00 PM on Monday, January 10, 2011.

3. **Management.** It is my understanding that Tavistock will be taking all BBRG Regional Managers and all other BBRG employees except store level restaurant managers and below at the Papas and that, during the interim period between the Tavistock closing and the Papa closing, Tavistock will provide "back room" administrative and office services and some additional services. Tavistock is asking us to reorganize the management now to implement the management structure that will be in place post closing. They are assuming that you will remain on the BBRG payroll and be paid by the Papas and will assume all required management responsibilities. You will have no Regional Manager support. Alternatively, if you are not going to stay on, they are prepared to assume all of these management responsibilities. We need to know now that, commencing with this restructuring and continuing until the sale of the Papas (to you or any other buyer) you are unconditionally committed to providing (i) all on-site, day to day, supervisory and management services needed to oversee the operation of the Papas, including (a) all services currently rendered to the Papas by you and by the Regional Managers and coordination of this management with BBRG back office and Tavistock back office, (b) restaurant visits and inspections at all restaurants (specifically including the Washington, DC Papa and the Westbury NY Papa) as often as is needed (but not less than once every other week), and (ii) all services needed to coordinate and effectuate the sale to Tavistock and the sale of the Papas to Bertucci's or any other buyer of the Papas. We need to resolve the above management issues by not later than 5:00 PM on Monday, January 10, 2011. We will understand if you do not want to continue with this Management, but it is Charlie's and Jolene's hope that, if you so desire, the buyer of the Papa's will retain you to run the Papas.

4. **Going Forward.** As stated above, I do not understand the delays in resolving the issues under Sections 2 and 3 above. To the extent that you have issues with either Section, please call your father over the weekend. If the issues under Sections 2 and 3 are not resolved by not later than 5:00 PM on Monday, January 10, 2011, then, regretfully, we will consider your employment terminated effective as of 5:00 PM on Friday January 15, 2011.

Please feel free to call me if you would like to discuss any of the above issues.

Matt